



**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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February 23, 2012

To: The Honorable Marcus R. Oshiro, Chair,
The Honorable Marilyn B. Lee, Vice Chair, and
Members of the House Committee on Finance

Date: Friday, February 24, 2012
Time: 4:30 p.m.
Place: Conference Room 308, State Capitol

From: Dwight Y. Takamine, Director
Department of Labor and Industrial Relations (DLIR)

**Re: In Support of H.B. No. 2574 H.D. 1 Relating to Notification of
Chapter 91 Hearings**

I. OVERVIEW OF PROPOSED LEGISLATION

H.B. No. 2574 H.D. 1 authorizes the Appeals Board, an agency administratively attached to DLIR, to send written notices of Chapter 91 hearing by first class mail and eliminates the current requirement that notices of hearing be sent by registered or certified mail with return receipt.

DLIR strongly supports H.B. 2574 H.D. 1 because the State would reap substantial savings in general funds. In particular, the measure would permit the Appeals Board to apply the savings to other areas of operations and increasing the overall efficiency of the Board.

This measure represents one small piece in rebuilding the capacity of the Workers' Compensation system, which has suffered through budget constraints over the last few budget cycles.

II. CURRENT LAW

Hawaii Revised Statutes (HRS) Section 91-9.5 requires notices of agency hearing to be sent by registered or certified mail with return receipt requested at least fifteen days before the hearing, unless otherwise provided by law.

III. COMMENTS ON THE HOUSE BILL

- The budget shortfalls of the past several years have required the State to reevaluate the way it does business and to improve management of fiscal resources.
- This cost-saving measure is part of this administration's New Day plan to transform government.
- By allowing the Appeals Board to send Chapter 91 notices of hearing by first class mail, the State stands to reap substantial savings in general funds.
- There is statutory authority for sending notices of Chapter 91 hearing by first class mail. In DLIR's Employment Services Appeals Referees' Office, Chapter 91 notices of hearings for unemployment claim appeals are sent by first class mail pursuant to HRS Section 383-38(a).

NEIL ABERCROMBIE
GOVERNOR



ROLAND Q.F. THOM
CHAIRMAN

MELANIE S. MATSUI
DAVID A. PENDLETON
MEMBERS

LABOR & INDUSTRIAL RELATIONS APPEALS BOARD
KEELIKOLANI BUILDING
830 PUNCHBOWL STREET, ROOM 404
HONOLULU, HAWAII 96813
(808) 586-8600

February 23, 2012

To: The Honorable Marcus R. Oshiro, Chair,
Marilyn B. Lee, Vice Chair, and
Members of the House Committee on Finance

Date: Friday, February 24, 2012
Time: 4:30 p.m.
Place: Conference Room 308, State Capitol

From: ROLAND Q.F. THOM, Chairman
Labor and Industrial Relations Appeals Board (Appeals Board)

**Re: In Support of H.B. No. 2574 H.D. 1 Relating to Notification of
Chapter 91 Hearings**

I. OVERVIEW OF PROPOSED LEGISLATION

H.B. No. 2574 H.D. 1 authorizes the Appeals Board to send written notices of Chapter 91 hearing by first class mail and eliminates the current requirement that notices of hearing be sent by registered or certified mail with return receipt requested.

The Appeals Board strongly supports H.B. 2574 H.D. 1 because the State would reap significant savings in general funds without sacrificing efficiency.

II. CURRENT LAW

Unless otherwise provided by law, Hawaii Revised Statutes (HRS) Section 91-9.5 requires notices of agency hearing to be sent by registered or certified mail with return receipt requested at least fifteen days before the hearing.

III. COMMENTS ON HOUSE BILL

- This measure is consistent with this administration's New Day plan to transform government and improve fiscal management of resources.

- Notices of hearing sent by first class mail is an effective method of service of notice. Less than 1% of notices of hearing are returned as undeliverable at the Appeals Board.

- There is built-in redundancy in Appeals Board procedures so that parties are notified and reminded of hearing dates on multiple occasions, either in person or by phone at initial and settlement conferences, and again by first class mail via a pretrial order. The risk that a case will be dismissed because a party did not receive a notice of hearing sent by first class mail is very low.

- There is statutory precedent for sending Chapter 91 notices of hearing by first class mail. Under HRS Section 383-38(a), notices of Chapter 91 hearings are sent by first class mail for unemployment claim appeals by the DLIR Employment Services Appeals Referees Office.

- A notice sent by first class mail costs \$.44. A notice sent by certified mail with return receipt costs more than \$5.00. The Appeals Board sends about 400 notices of hearing annually and could save close to \$2,000.00, if not more, per year in mailing costs if this measure passes.

- There is another bill that has been referred to the House Committee on Finance (H.B. 2582 H.D. 2 Relating to Appeals to the Appellate Board) that also addresses notice of Chapter 91 hearings by first class mail, but H.B. 2582 H.D. 2 is a more comprehensive bill that seeks to, among other things, amend HRS Section 386, instead of HRS Section 371, to allow for notice of hearing by first class mail in workers' compensation appeals.

DENNIS W. S. CHANG

ATTORNEY-AT-LAW

WORKER'S RIGHTS - LABOR LAW
WORKER'S COMPENSATION
SOCIAL SECURITY DISABILITY
LABOR UNION REPRESENTATION
EMPLOYEES RETIREMENT SYSTEM
BODILY INJURIES

February 23, 2012

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The Honorable Marilyn B. Lee, Vice Chair, and
Members of the House Committee on Finance

Date: Friday, February 24, 2012

Time: 4:30 p.m.

Place: Conference Room 308, State Capitol

From: Dennis W. S. Chang
Labor and Workers' Compensation Attorney

**Re: In Support of H.B. No. 2574 H.D. 1 Relating to Notification of
Chapter 91 Hearings**

I strongly support HB 2574 H.D. 1. I have witnessed the great loss in the budget shortfall and the like that has almost driven the Department of Labor to a standstill. This is a small but necessary step in the right direction in rebuilding the workers' compensation process. Anything however small is vitally necessary at this time. I implore everyone to support these baby steps for a better future for injured workers, employers, and the insurance industry.

Thank you for allowing me to testify in support of this bill.

George M. Waialeale
910 Kapahulu Avenue #703
Honolulu, Hawaii 96816
Email: geedubbyou@aol.com
Phone: (808) 383-0436

February 24, 2012

Committee on Finance

HB 2574 HD1 Relating to Notification of Chapter 91 Hearings

I am here to testify in support of HB 2574 HD1. I believe the passage of this legislation will save State of Hawaii substantial saving and will put to good use in other operating areas.

I ask for your passage of this legislation.

George Waialeale

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 23, 2012 10:34 AM
To: FINTestimony
Cc: moore4640@hawaiiantel.net
Subject: Testimony for HB2574 on 2/24/2012 4:30:00 PM

Testimony for FIN 2/24/2012 4:30:00 PM HB2574

Conference room: 308
Testifier position: Support
Testifier will be present: No
Submitted by: Douglas Thomas Moore
Organization: Individual
E-mail: moore4640@hawaiiantel.net
Submitted on: 2/23/2012

Comments:

Aloha: I strongly support this Dept. of Labor cost-saving measure. Please pass it. mahalo